

HUMAN RESOURCES DEPARTMENT

BUDGET OVERVIEW

(\$ In Millions)

	2005-2006 Budget	2007-2008 Preliminary Budget	2007-2008 Council Adopted Budget	Difference between Preliminary and Council Adopted Budget	% change
Total Budget	\$1.8	\$2.3	\$2.0	(\$0.2)	-10.5%

Note: May be slightly off due to rounding.

COUNCIL'S FINAL CHANGES

Council reduced the Human Resources budget by \$239,449 from the Preliminary Budget and gave the Administration discretion to manage the department within the new limit of \$2,039,730. As a result, the Human Resources department does not have enough money to pay for services previously provided in the 2005-06 biennium and address deficiencies in recruitment and healthcare cost containment. The Council made the following changes from the Preliminary Budget:

Reduced funding for existing services	(\$58,449)
Eliminated funding for a Human Resources Generalist	(\$181,000)
Total Council Changes	(\$239,449)

COST DRIVERS

Salaries and Benefits

- Market and merit increases of 4.5% in 2007 and 2008. NOTE: Should not be construed as City's negotiating position.
- Medical premium increases of 13% per year.
- PERS rate increases of 132% between 2006 and 2008, as approved by the State Legislature.
- College tuition reimbursement program: increase in other compensation due to higher tuition costs (\$10,000 each year in 2007 and 2008).
- 1.625 FTEs to support labor negotiations, recruitment, training and address workload (see synopsis of proposed programs for more details).

Supplies

- Inflationary increases of 2.6% and 2.5% for 2007 and 2008; this is the first time in seven years departments have received a small adjustment for inflation.
- Increase in employee training materials.

Services

- Inflationary increases of 2.6% and 2.5% for 2007 and 2008; this is the first time in seven years departments have received a small adjustment for inflation.
- Reallocated professional services and repairs and maintenance money to salaries and benefits for new programs.

SYNOPSIS OF PROPOSED PROGRAMS INCLUDED IN THE PRELIMINARY BUDGET

Human Resources Generalist (1.0 FTE, \$181,000) – FUNDING ELIMINATED

The HR Generalist position will enable the department to pursue cost-containment initiatives in the area of healthcare management; develop effective recruitment strategies and at the same time, allow HR to continue providing high-level core services to other departments. The department has cut resources, realigned staff, leveraged technology, improved processes; streamlined service delivery, and developed regional partnerships. While these alternatives have helped, existing staff is stretched. The increased workload cannot be adequately accommodated without additional resources. To encumber them with more projects would lead to less than optimal productivity.

Increase hours for the Senior Labor and Compensation Analyst positions (0.125 FTE, \$0) – APPROVED

An extensive amount of effort is spent supporting the City's position in labor negotiations. The two half-time incumbents often work more hours than scheduled and have not received recognition for those hours through salary or benefits. The addition of the 2.5 hours per week will provide the hours necessary to continue to complete the workload associated with labor and compensation analysis. This increase is at no additional cost as the funding of \$18,961 will be provided by reallocating repairs and maintenance money to salary and benefits within the existing budget.

Human Resources Assistant (0.50 FTE, \$0) – APPROVED

The 0.50 FTE will convert the Human Resources Assistant position from a supplemental to a regular part-time position. The HR Assistant will provide administrative support for day-to-day HR operations to enable existing staff to plan and execute cost-effective programs without compromising the delivery of core services to other City departments. This increase in FTE is at no additional cost as the funding of \$52,283 will be provided by reallocating professional services and supplemental funds within the existing budget to cover salary and benefits for the requested half-time position. Human Resources staff has continued to

evaluate, develop and implement programs that in the past were contracted out to costly consultants. While professional services funding has been reduced, there are still enough funds to cover the conversion of the position.

HUMAN RESOURCES DEPARTMENT

WHAT DO WE DO?	WHY DO WE DO IT?	HOW MUCH DOES IT COST?		IS IT LEGALLY MANDATED, CORE, OR VALUE ADDED SERVICE?
		2005-2006	2007-2008	
HR POLICY ADMINISTRATION		\$173,669	\$227,237	
Develop, implement, and monitor compliance to city-wide human resources policies; monitor and maintain performance management and personnel recordkeeping systems; provide conflict resolution and performance management consultation services to managers and employees.	To ensure internal policies and practices comply with constantly changing federal, state, and local employment laws; to ensure employees are rewarded appropriately; to enhance the City’s ability to retain a competent and productive workforce.			Legally mandated and value added
EMPLOYEE AND LABOR RELATIONS		\$305,849	\$379,770	
Develop, implement and oversee the City’s relations with its six collective bargaining units and non-represented employees. Research and coordinate development of economic and non-economic bargaining proposals; staff negotiations; oversee contract administration; resolve conflicts; foster positive communication; investigate complaints.	To comply with State law that dictates many of the procedural aspects of employer-employee relations. To promote responsible, effective, and economically sound outcomes. To identify problems and resolve complaints/issues.			Legally mandated, core and value added services
BENEFITS		\$318,614	\$363,291	
Design, implement and monitor healthcare programs; includes the following: - Manage program cost - Monitor trends and legislation - Ensure legal compliance - Communicate program to employees	To ensure that healthcare programs are cost effective, understood by employees, and administered as designed.			Core and value added services

HUMAN RESOURCES DEPARTMENT (cont.)

WHAT DO WE DO?		WHY DO WE DO IT?		HOW MUCH DOES IT COST?		IS IT LEGALLY MANDATED, CORE, OR VALUE ADDED SERVICE?
				2005-06	2007-08	
COMPENSATION				\$281,362	\$354,838	
Design, implement and manage pay, performance and incentive programs; monitor market trends and legislation.	To ensure that employee pay, performance management and incentive programs are competitive, well communicated and administered in accordance with City policy.					Core services
EMPLOYMENT				\$431,398	\$498,883	
Recruit and select applicants for employment with the City of Redmond.	To ensure the City has an adequate number of highly skilled employees so it can provide products and services to its citizens.					Core and value-added services
TRAINING				\$372,872	\$455,160	
We develop and integrate employee skills and behaviors with organizational objectives.	To build a positive and productive workplace that promotes employee participation and cooperation.					Legally mandated, core and value added services
TOTAL HUMAN RESOURCES – PRELIMINARY BUDGET				\$1,883,764	\$2,279,179	
COUNCIL'S FUNDING REDUCTIONS					(\$239,449)	
TOTAL HUMAN RESOURCES – COUNCIL ADOPTED BUDGET				\$1,883,764	\$2,039,730	

HUMAN RESOURCES DEPARTMENT

EXPENDITURE SUMMARY BY OBJECT

	2005-2006	2007-2008	Budget to	2-year %	1-year %
HUMAN RESOURCES	Budget	Budget	Budget Difference	change	change
Salaries					
Salaries and Wages	\$1,177,692	\$1,449,604	\$271,912	23.1%	11.5%
Overtime	\$1,000	\$2,000	\$1,000	100.0%	50.0%
Supplemental Help	\$18,253	\$9,502	(\$8,751)	-47.9%	-24.0%
Other Compensation	\$50,000	\$70,000	\$20,000	40.0%	20.0%
Salaries Total	\$1,246,945	\$1,531,106	\$284,161	22.8%	11.4%
Benefits					
MEBT	\$84,506	\$103,179	\$18,673	22.1%	11.0%
PERS	\$30,008	\$96,739	\$66,731	222.4%	111.2%
Benefits - Medical Premiums	\$123,625	\$193,070	\$69,445	56.2%	28.1%
Benefits - Worker's Compensation	\$6,121	\$7,450	\$1,329	21.7%	10.9%
Other Benefits	\$2,522	\$2,877	\$355	14.1%	7.0%
Benefits Total	\$246,782	\$403,315	\$156,533	63.4%	31.7%
Supplies					
Small Tools/Equip/Hardw/Softw	\$16,770	\$17,422	\$652	3.9%	1.9%
Repairs/Maintenance Supplies	\$12,597	\$41,454	\$28,857	229.1%	114.5%
Office and Other Supplies	\$9,000	\$9,349	\$349	3.9%	1.9%
Supplies Total	\$38,367	\$68,225	\$29,858	77.8%	38.9%
Professional Services					
Professional Services	\$141,145	\$124,342	(\$16,803)	-11.9%	-6.0%
Legal Services	\$68,000	\$72,640	\$4,640	6.8%	3.4%
Communications	\$11,492	\$8,822	(\$2,670)	-23.2%	-11.6%
Travel	\$3,000	\$9,400	\$6,400	213.3%	106.7%
Repairs - Outside	\$45,330	\$8,128	(\$37,202)	-82.1%	-41.0%
Other Services and Charges	\$81,385	\$50,080	(\$31,305)	-38.5%	-19.2%
Professional Services Total	\$350,352	\$273,412	(\$76,940)	-22.0%	-11.0%
Interfund Transfers					
Interfund - Fleet	\$1,318	\$3,121	\$1,803	136.8%	68.4%
Interfund Transfers Total	\$1,318	\$3,121	\$1,803	136.8%	68.4%
Council's Funding Reductions Total	\$0	(\$239,449)	(\$239,449)	n/a	n/a
			\$0		
Grand Total	\$1,883,764	\$2,039,730	\$155,966	8.3%	4.1%